



Virginia Department of Housing and Community Development

MUMS How-To-Apply

December 6, 2022 Webinar



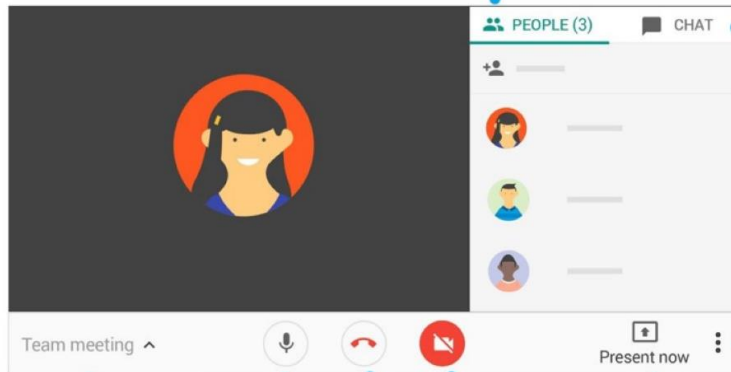
VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities





TO PARTICIPATE

Please stay muted and use the in-meeting chat to ask questions. Note that the meeting will be recorded. Thank you!



View meeting participants

Chat with meeting participants

See additional settings, such as recording the meeting or changing your video resolution

Turn microphone on or off

Leave meeting

Turn camera on or off



MIXED USE ON MAIN STREET PROGRAM

The intent of the MUMS program is to fund construction projects in vacant or underutilized downtown spaces, creating opportunities for **commercial development** and more **housing units**. Like the IRF awardees, the MUMS projects should be a catalyst for long-term employment prospects and ongoing physical and economic revitalization.

MUMS PROGRAM HIGHLIGHTS



\$2.5 million is available in Fiscal Year 2023, with awards capped at \$500,000 per project



This program is supported by the Industrial Revitalization Fund and made available to communities that actively participate in the Virginia Main Street program



At least 30% of the property must be slated for commercial use and the project must include housing units as well



SNAPSHOTS



Industrial Revitalization Fund (IRF)

The IRF program, administered by DHCD for over 10 years now, provides funding for the rehabilitation of large-scale vacant and derelict structures no longer suited for their original purpose. Grants or Loans of up to \$600,000 are available with a 1:1 match required. These are awarded annually. Applicants must be local governments, but they can apply on behalf of non-profits and private developers.



American Rescue Plan Act (ARPA)

ARPA provided funding for Covid-19 relief, specifically to small businesses and local economies. Through ARPA, additional funding has been directed to the IRF Program, allowing DHCD to expand the guidelines and number of awards. In 2022 and 2023 applicants can apply for up to \$5 million per project for ARPA-funded IRF awards. This additional funding has also resulted in the creation of the MUMS program, providing \$2.5 million in 2023 specifically for main street projects with a residential component.



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FY23 TIMELINE

At present the MUMS funding is a one time allocation under the IRF program for FY23. Awardees are expected to complete their proposed projects within 18 months of contract execution with DHCD.



December 6, 2022: MUMS How-to-Apply Webinar

January 1, 2023: Pre-Application Form Available

February 1 - December 31, 2023: Applications Accepted in CAMS on a Rolling Basis Until the \$2.5M is Depleted





ELIGIBLE PROPERTIES

The program is targeted toward **vacant and deteriorated** properties whose poor condition creates a notion of physical and economic blight in the surrounding area, and often is a deterrent to surrounding development.

At least **30% of the project must be commercial** and **housing units** planned for the project.

ELIGIBLE

- Manufacturing
- Department Stores
- Warehousing
- Theaters
- Mining
- Hotels
- Transportation
- Shopping Centers
- Power Production
- School Buildings



INELIGIBLE

- Solely Residential
- Greenfield Sites





ALLOWABLE ACTIVITIES



The program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as **acquisition, rehabilitation, or repair** (including securing and stabilizing for subsequent reuse) of specific structures, as well as **demolition, removal, and other physical activities**.



Funds may not be used solely for acquisition or demolition unless it can be demonstrated that the **locality has committed other redevelopment funds to the property**, and there is a market-based redevelopment plan outlining reuse options, target markets/niches, and a property marketing strategy including the entity responsible for implementation. Generally, demolition should be used only in circumstances where the size or location of a building precludes any significant redevelopment potential or in cases where there is an imminent safety threat.

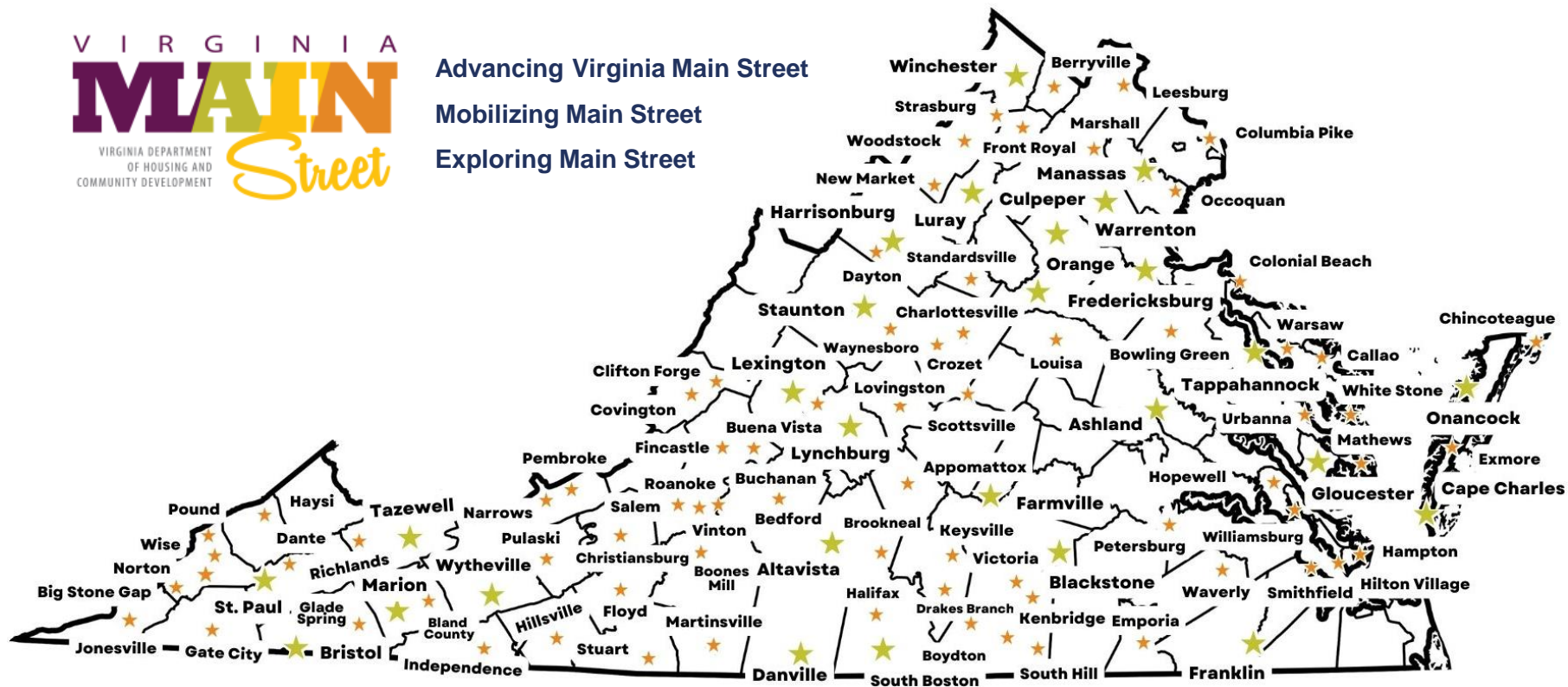
Grant administration is not
an eligible activity



ELIGIBLE APPLICANTS



Advancing Virginia Main Street
Mobilizing Main Street
Exploring Main Street



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ELIGIBLE APPLICANTS

Only **local governments** (cities, counties, or towns), and **regional or local economic or industrial development authorities** may submit applications

A unit of local government may apply directly for funding to use on publicly owned property **OR** on behalf of a for-profit or non-profit entity for privately owned property.



Localities may designate a redevelopment authority or another similar organization as an agent for project implementation and administration.

GRANTS



- The property is publicly owned
- The privately owned property has an option agreement or contract in place for purchase by a local government at the time of the application
- The private property is owned by a not-for-profit, tax-exempt entity

LOANS



- The property is owned by a private, for-profit entity & the end-use will be owned by a private, for-profit business
- IRF Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity.



LOCALITY RESPONSIBILITY

A locality may submit only one application, requesting up to **\$500,000**; therefore, localities must identify and authorize the projects that will have the most meaningful impact on local community revitalization and economic development efforts.



As such, **a resolution** from the local governing body authorizing the request for funding is an application requirement.

LOAN STRUCTURE

MUMS Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity. The following standard terms and conditions will apply to all projects unless DHCD determines that a regionally significant project requires more favorable terms. The terms of the loan must be agreed to by DHCD.

- Interest Rate: 2.5%
- Amortization: Up to 20 Years (negotiated on a project-by-project basis)
- Environmental Review
- DHCD will require an executed performance agreement with the developer



MATCH

While there is no match requirement for these funds, additional leverage will be advantageous in showing a project's readiness and support, and should be documented in the application if available. The additional leverage must either be cash or documented costs that are directly associated with the improvements to the property where MUMS funds are expended. Local leverage may include federal (CDBG, ARPA, or other), state, local, and private funds spent on activities directly related to the targeted project.



MUMS funds may not be used as a substitute for other funds the applicant or end-user has already committed to a project. If the project proposes a for-profit, private end-use, DHCD considers an equity investment by that entity into the MUMS project as an indication of long-term commitment to the project.



FUNDING PRIORITIES

1

Development of mixed-use properties and housing units along main street corridors

4

Project with a clear end use

2

High degree of blight and deterioration to be addressed

5

End use has clear & significant community economic impact

3

Project readiness

6

High economic distress in project locality



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APPLICATION SUBMISSION

Applicants must first submit a pre-application to DHCD that includes basic information about the project. DHCD will review and invite a full application to projects that will have high probability of success.

Full applications will be evaluated according to a scoring system and projects will be selected for funding on a rolling basis through December 31, 2023. Applications must score higher than 80% be considered for funding.



Mixed Use / Residential Strategy	10%
Readiness	30%
End Use Plans	15%
Economic Impact	25%
Distress	15%
Funding Secured	5%
Total	100%
<i>Other Considerations</i>	5%



NEXT STEPS

MIXED USE ON MAIN STREET : PRE-APPLICATION FORM	
<p>\$2.5 million is available in Fiscal Year 2023 to support the activation of vacant or underutilized downtown spaces to create opportunities for commercial development and housing units in state designated Main Street districts through the Mixed Use on Main Street (MUMS) program. Funding of up to \$500,000 per project is available for the rehabilitation of mixed use buildings in Main Street districts which must include the creation or renovation of housing units. Grants are available to those communities designated by VMS as Advancing Virginia Main Street, Mobilizing Main Street, or Exploring Main Street.</p> <p>All potential applicants must first fill out this pre-application form, describing their project basics, and a DHCD staff member will be in touch to discuss further. Full applications will be accepted on a rolling basis from February 1 until December 31, 2023.</p>	
NAME OF APPLICANT <i>Only local governments (cities, counties, or towns), and regional or local economic or industrial development authorities may submit applications for funding. A unit of local government may apply directly for funding to use on publicly owned property OR on behalf of a for-profit or non-profit entity for privately owned property.</i>	
PROPERTY ADDRESS	
PROPERTY OWNER & FINANCING PLAN <i>Provide name of current owner, proposed developer, and any related information regarding ownership and development during this project. Would MUMS funding be distributed as a grant or loan from the locality?</i>	
DESCRIBE CURRENT CONDITION OF PROPERTY <i>Property must be vacant and derelict</i>	
TOTAL PROJECT BUDGET	
MUMS FUNDING REQUEST	
INTENDED USE OF MUMS FUNDING <i>The MUMS program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as acquisition, rehabilitation, or repair (including securing and stabilizing for subsequent reuse) of specific structures, as well as demolition, removal, and other physical activities. Please briefly describe how the MUMS funding would be used on this project.</i>	

DESCRIBE ARPA ELIGIBILITY <i>Projects seeking funding must address a harm caused by the COVID-19 pandemic, or a harm resulting from or exacerbated by the economic disruption caused by the COVID-19 pandemic. Applicants should 1) identify the need created or exacerbated by the pandemic and 2) how their project seeks to remedy that need.</i>	
DESCRIBE PROPERTY END USE <i>Eligible properties and structures may be redeveloped for any market-driven purpose and must include housing units, regardless of the original use. For purposes of MUMS, mixed-use is defined as "a building incorporating residential uses in which a minimum of 30 percent of the usable floor space will be devoted to commercial, office, or industrial use or in which 30 percent of the projected project revenue is derived from the commercial space."</i>	
DESCRIBE CATALYTIC IMPACT OF END USE <i>Applicants must describe how the project will have a clear positive impact on the community. This includes both the economic impact of the construction process and the end use. Please provide the anticipated number of housing units projected to be created with this project as well as the number of housing units currently in your Main Street district.</i>	

Pre-Application form available on the IRF website beginning January 1, 2023:

www.dhcd.virginia.gov/irf

Forms can be sent to DHCD once complete, we will review and be in touch to discuss your project further:
realestate@dhcd.virginia.gov



Q & A



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MUMS RESOURCES

Program Materials are saved online:

<https://www.dhcd.virginia.gov/irf>

Today's recording & updated materials will be added this week

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The screenshot shows the Virginia DHCD website's Industrial Revitalization Fund (IRF) page. The header includes the Virginia DHCD logo, navigation links (ABOUT, HOUSING, BUSINESSES, COMMUNITIES, CODES, RESOURCES), and a search bar. The main heading is "INDUSTRIAL REVITALIZATION FUND (IRF)". Below this, the "CONTACT:" section lists the email realestate@dhcd.virginia.gov. A paragraph describes the IRF's purpose: leveraging local and private resources for market-driven redevelopment of vacant industrial and commercial properties. To the right is a photo of a modern industrial building with a courtyard. Below the text, three columns are visible: "ELIGIBILITY" (listing local governments and economic development authorities), "RESOURCES" (listing various guides and manuals), and "HELPFUL LINKS" (listing CAMS and the annual report).

Virginia Housing

Mixed Use-Mixed Income Financing

DHCD MUMS Program

Mixed Use- Mixed Income Financing

Multifamily and Mixed-Use

- Below market, fixed-rate, long-term financing tailored to meet individual developer needs
- Very low through market rate income
- Open to Private developers, non-profits, Quasi-Government Agencies (EDA/IDA, RHA)
- Affordability Requirement
- Revitalization Zone



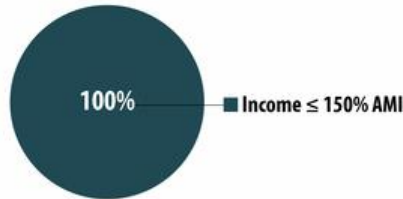
Workforce Housing Financing

Our Workforce Housing loans allow for a broader range of incomes, so you can choose the financing that best fits the needs of your community. The program requires that a percentage of units be reserved for residents whose annual income does not exceed certain limits. The rest of the units maybe rented to residents at any income level.

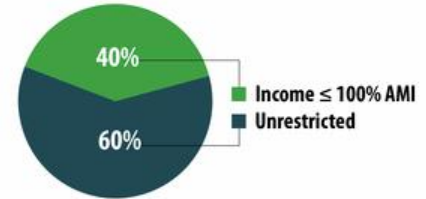
Workforce 20/80



Workforce 100



Workforce 40/60



Community Impact Grant

Community Impact Grants facilitate projects that promote community and economic development and affordable housing.

Planning



Development



Innovative
Demonstrations



DEVELOPMENT



- Stabilization-Supports efforts to spark revitalization by preparing deteriorated vacant properties for residential or mixed-use redevelopment
- Deconstruction- Assists communities with demolition of vacant, blighted structures that cannot be rehabbed, with materials reused or recycled to the extent possible
- Amount: Up to \$150,000

PREDEVELOPMENT LOAN FUND

The Predevelopment Loan Fund supports Rental Projects which address one of the following issues:

- Housing for disabled households
- Homelessness
- Revitalization

Eligible Costs

- Architectural/Engineering Studies
- Site Planning
- Appraisals
- Market Studies



West Main Development LLC, Pulaski



Thank you!

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The background of the entire slide features silhouettes of two families walking away from the viewer. On the left, a man carries a baby in a carrier while holding the hand of a young girl. On the right, a man holds the hand of a young girl. The silhouettes are dark blue against a lighter blue gradient background that suggests a horizon.

THANK YOU



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